

THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Council

NIC No. 06220
20 December 1985

MEMO FOR: DDI/EURA [REDACTED]
DDO/EUR [REDACTED]

FROM: George Kolt
NIO for EUROPE

SUBJECT: Malta

We have received what is billed as
the final draft of the NSDD on Malta.
Please let me know by noon Monday (23 December)
whether you concur with proposed CIA
comments.


George Kolt

Attachment
Draft NIC 06209-85
NSC LDX

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MEMORANDUM FOR: MARTIN VAN HEUVEN (State)
GEORGE KOLT (CIA) : *Am 7662*
GEORGE BADER (DOD)
FROM: TY COBB (NSC)
SUBJECT: MALTA NSDD

STAT

I have taken your final comments into account in the revision of the draft NSDD and have decided to float it by you for a final review. Please provide me with your comments by 24 December--I'd like to get this to the President next week.

One additional paragraph I plan to add will deal with implementation and followup--specifically, it will task State to provide the NSC with a report summarizing the steps that have been taken to implement this directive and to assess the impact of these measures. This is a facet of NSDDs that is often missing and thus consigns the impact of the directive to naught.

Thanks.

--Ty

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91006THE WHITE HOUSE
WASHINGTON**SECRET/SENSITIVE**NATIONAL SECURITY DECISION
DIRECTIVE NUMBER _____**U.S. POLICY TOWARD MALTA (U)**

This directive defines U.S. policy toward Malta in light of Malta's move to enhance ties to Libya and the Soviet Bloc, accompanied by an increasingly authoritarian style of government. For now, the situation warrants close U.S. monitoring, consultation with our allies, and a modest expansion of U.S. resources designed to help keep Malta non-aligned and free from foreign exploitation or domination. The United States will maintain businesslike relations with the present regime, but will not extend extraordinary support (e.g., economic assistance or high-level visits) as long as there remains some prospect of the Nationalist Party returning to power via elections in 1987.

OBJECTIVES

- Deny the use of Malta for military purposes by the Soviets or Libyans.
 - Persuade Malta to fulfill its declared policy of neutrality and nonalignment.
- Prevent Malta from serving as a base for international terrorism.
- Maintain Malta's essentially Western orientation and democratic system.
 - Nurture Malta's economic links to the West.
 - Encourage the government to permit free elections, due by 1987.
 - Discourage the government's assault on democratic institutions.
 - Encourage the Nationalist Party and any democratically inclined members of the MLP.

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ACTIONS

As a way of seeking to achieve the objectives above, the United States will withhold positive gestures until the Government of Malta takes favorable actions toward U.S. objectives. The U.S. Government will be prepared to offer incentives on an incremental basis, depending on the actions of the government of Malta. Initial U.S. Government actions shall include the following:

- **Political/Diplomatic**

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Increase consultations with the PRC (which has a substantial presence in Malta), the Vatican, and our NATO allies (especially Italy, the FRG, and the UK, whose interests are most directly affected) through the conduct of periodic reviews.

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Instruct our ambassador to Malta to take every opportunity to:

- (a) express publicly and privately our support and sympathy for the democratic process in Malta and the maintenance of human rights;
- (b) reiterate our expectation that Malta will remain true to its avowed policy of neutrality and nonalignment;
- (c) make clear to the Government and people of Malta (and indirectly to Libya and the USSR) that the U.S. and its allies would not tolerate the granting by Malta of military access to Libya or to the Soviet Union and its allies.

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Impress upon the Maltese that it is up to them to establish an attractive investment climate.

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Cease responding to requests for assistance on items that do not warrant action (e.g., Malta's request to become an East-West financial center).

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Withhold extraordinary support from the present Labor Party regime while the Nationalist Party retains some chance of returning to power in 1987.

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Maintain frequent contact with Maltese officials, demonstrating that we take them seriously and will

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consider any reasonable proposal for political or economic cooperation.

- Turn aside Maltese requests for meetings with the President or other senior officials above the Under Secretary level, but consider more frequent visits by officials at an appropriate level.
- Enhance contact with, and explore political support for Nationalist Party leaders and any MLP leaders who show willingness to preserve democratic norms.
- Promote contact with the Nationalist Party through the international Christian Democratic movement.
- Utilize Project Democracy to encourage the democratic process through contacts with nonpolitical, democratically-inclined organizations such as the Chamber of Commerce.

Public Diplomacy Efforts

- Seek Congressional approval to boost the USIS information effort and staff in order to:
 - (a) give the Maltese a clearer picture of U.S. policies; and
 - (b) better expose and counter Soviet propaganda and disinformation.
- Increase leader grants and other exchanges.

To enhance cooperation with Malta, the U.S. Government will be prepared to offer the following incentives to Malta on an incremental basis, depending upon the actions of the Maltese government toward basic U.S. national security objectives:

Trade and Investment

- Continue the AID Excess Property program, including the promised, one-time "lift of opportunity" by U.S. naval vessels to Naples.
- Call attention of U.S. firms to trade and investment opportunities in Malta.
- Have OPIC and Commerce sponsor a series of trade and investment missions to Malta.

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- Have DOE and commerce organize a visit of U.S. coal exporters and transporters to examine Malta as a site for transshipment of coal destined for Mediterranean ports.
- Encourage U.S. firms to consider Malta as a transshipment point for grain.

Economic or Military/Security Programs

- Offer \$25,000 to \$50,000 in FY 1985 or FY 1986 for International Military Education and Training (IMET).

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